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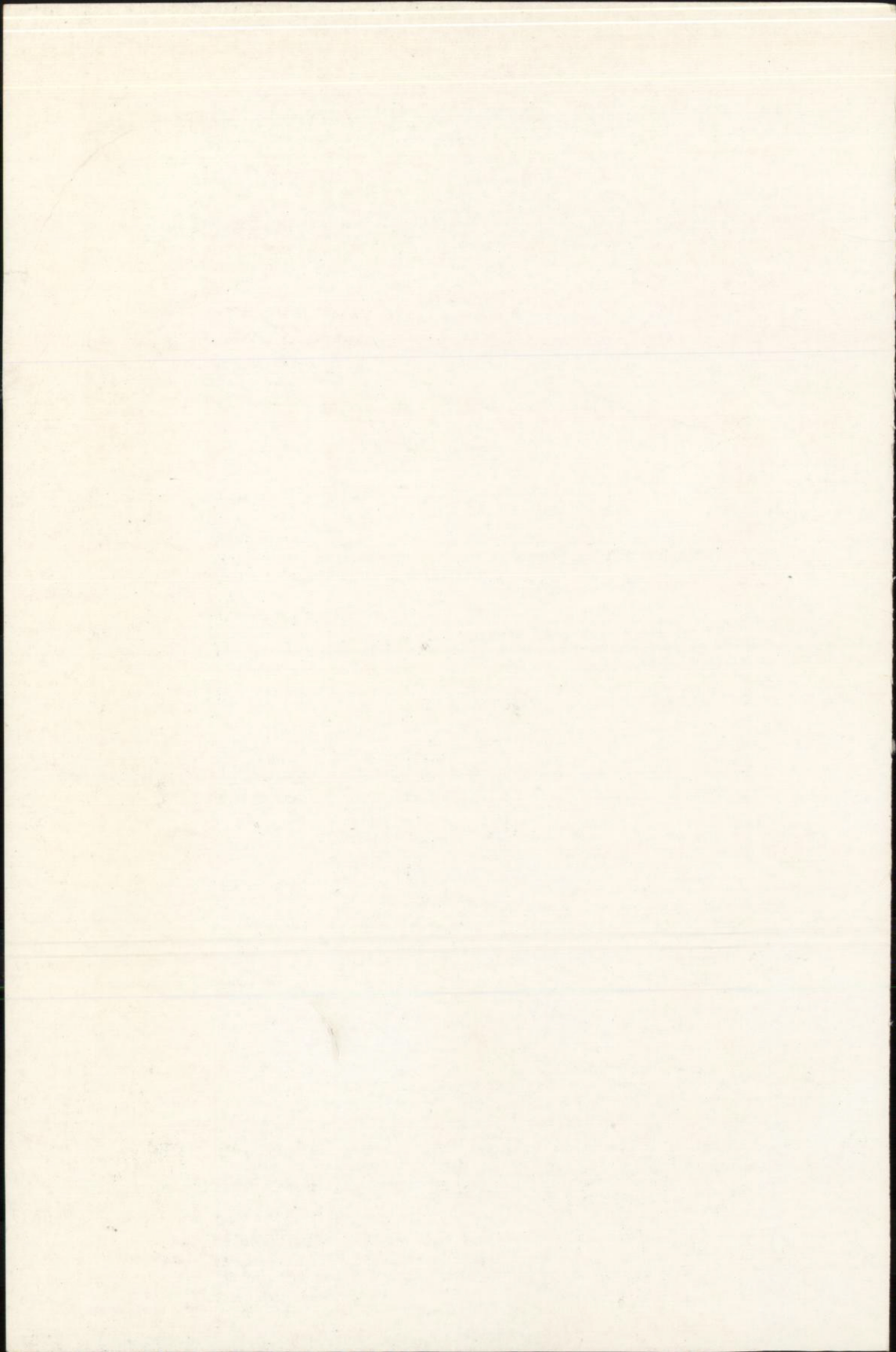
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TWENTY-FOURTH ANNUAL REPORT
OF THE
BOARD OF PUBLIC TRUSTEES
OF THE
BOSTON ELEVATED RAILWAY COMPANY

YEAR ENDED DECEMBER 31, 1942

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TWENTY-FOURTH
ANNUAL REPORT
OF THE
Board of Public Trustees
OF THE
BOSTON ELEVATED RAILWAY
COMPANY

Year Ended December 31, 1942

The information contained herein is not given in connection with any sale, offer for sale or solicitation of an offer to buy any securities.

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BOARD OF PUBLIC TRUSTEES

(Appointed by the Governor of Massachusetts pursuant to Chapter 159
of the Special Acts of 1918)

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ERNEST A. JOHNSON

HENRY J. SMITH, *Secretary*

WILLIAM P. JOY

PATRICK J. WELSH

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MICHAEL H. CULLEN	<i>General Auditor</i>
WILLIS B. DOWNEY	<i>General Counsel</i>
MAURICE P. SPILLANE	<i>General Claims Attorney</i>

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The 1942 Annual Report of the Board of Public Trustees of the Boston Elevated Railway Company

THE year ended December 31, 1942—the first full year during which the railway has operated under war conditions—has seen an accentuation of the upward trend in riding begun in March, 1941. Since then there has been a steady increase in the use of the railway facilities. As the war effort intensified and was reflected in manifold avenues of activities, there resulted a greatly expanded use of the railway. In the month of December, 1942, the railway carried the greatest number of passengers ever carried in any single month throughout its history.

Obviously, the many aspects of an economy quickened by the war have been reflected in the business of this railway. Not only has there been more riding to war plants, but the greater degree of employment resulting from the war has meant, in the year just passed, a greater volume of riding for shopping and recreational purposes. The restrictions upon the use of the private automobile, through gasoline and tire rationing, have caused a large number of persons to turn to the railway for their day by day transportation.

All these factors taken together have increased the volume of traffic from 306,815,525 passengers carried in 1941 to 370,265,241 carried in 1942, an increase of 63,449,716 passengers, or of almost 21 per cent. The number of revenue passengers carried in 1942 compares well with the number carried in the year of the railway's maximum business, 1917, when 381,017,338 passengers were carried. In fact, the volume of passenger traffic in 1942 was the greatest in any year of the railway's history with the exceptions of 1917 and 1926.*

*The railway records for 1923 and 1924 show a greater number of passengers carried than in 1917 and 1926, but the figures for 1923 and 1924 include as two revenue passengers a considerable number of passengers who made what was, in effect, a single trip for which they paid two 5c fares instead of paying a single 10c fare and obtaining a transfer.

As compared to the revenue mileage operated in 1941 and in order to meet the increased demand for service, the railway increased its revenue miles operated in 1942 by 8,100,865 miles or an increase of almost 18 per cent. The increase in mileage operated was at a lesser rate than the increase in passengers carried and the difference reflects the efforts of the railway to conform with the directives issued by the Office of Defense Transportation in Washington that transit companies make the fullest possible use of available equipment, supplies and manpower.

In past reports we have had occasion to observe that the basic cause of deficits from operations was that there existed in Boston a railway plant capable of carrying many more passengers annually than were then, in fact, using the system. Or, stated in other words, the heavy fixed charges upon the large investment in railway plant—a plant which was being used far below its capacity—caused the operating deficits.

The return of riding to the railway system by reason of war conditions has restored an equilibrium between fixed and operating costs, an equilibrium destroyed between 1929 and 1941, first, by virtue of the increased use of private automobiles, and, later, and to an even greater extent, by the effects of the economic depression.

The existence of an integrated transportation system capable, without expansion of plant, of meeting effectively an enormous increase in riding has benefited both the community served by the railway and the war effort. The problems of meeting the transportation requirements in this area under emergency conditions are of a different character than elsewhere because of the existence here of an extensive transit plant that has been properly maintained over a period of years.

The increased use of the system brought about a noteworthy improvement in the financial results of operation and in 1942 the railway showed an operating profit of \$1,855,853.00, which compares with an operating loss of \$1,593,756.96 in 1941. After profit and loss adjustments a balance of \$924,204.46 remained to be applied toward restoration of the reserve fund. The principal profit and loss adjustment was one which followed a decision of the United States Circuit Court of Appeals rendered on November 4, 1942, which held that the railway

Company was liable for Federal income taxes for the years 1933 to 1937, inclusive. On the basis of this decision, provision was made by a charge to profit and loss of \$930,005.81 for Federal income taxes for the years 1933 through 1941.

The Public Control Act and the Governor Square Extension Act, as amended, together provide for the disposition of any excess over the cost of the service charges as of December 31 in any year in the following manner:

Any excess over the cost of the service is to be applied first to the restoration of the one million dollar reserve fund. After the one million dollar reserve fund has been restored, any excess in the reserve fund over one million dollars is to be applied, first, to pay the current Governor Square rental; second, to reimburse the Commonwealth for the half of the Governor Square rental which it has paid in the past when the Company was not obligated to pay rental; and, third, to reimburse the Commonwealth for the cost of the service deficits paid to the Company.

Under the terms of the 1918 Public Control Act a reserve fund of one million dollars was originally established to be applied toward making up cost of service deficiencies when income was insufficient to meet the cost of the service and to be restored when income was greater than the cost of the service. The current Governor Square rental now amounts to about \$228,000.00 annually. As of the end of 1942, the past Governor Square rentals which the Commonwealth has paid and assessed upon the cities and towns served by the railway amounted to \$1,045,286.05.

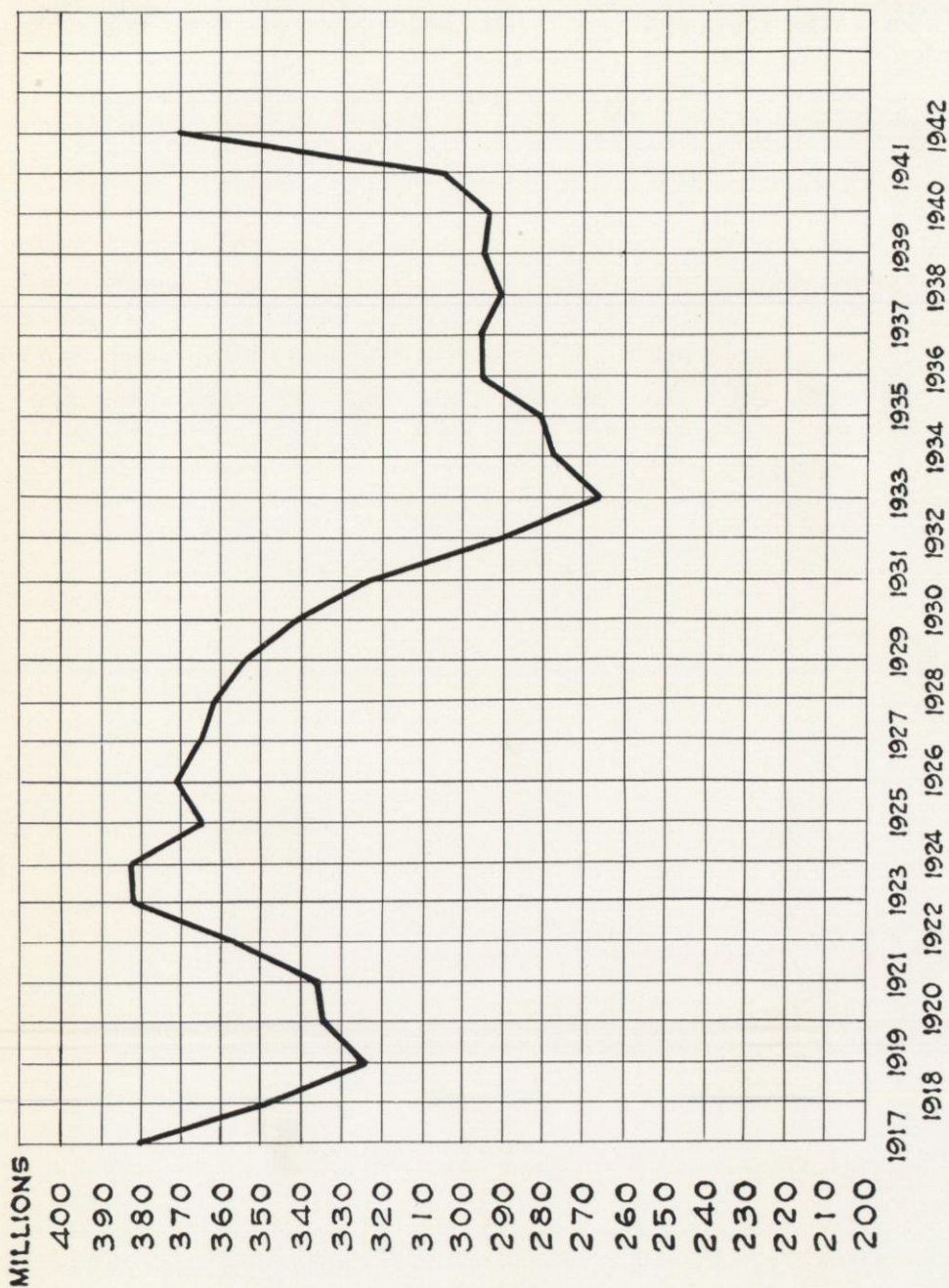
THE COST OF THE SERVICE

The total cost of the service increased by \$2,209,496.73 in 1942 as compared with 1941.

OPERATING EXPENSES

In 1942, as compared with the previous year, operating expenses increased by \$2,274,057.04. Among the principal factors which caused the increase were the costs of furnishing additional service and the higher cost of labor, fuel, material and supplies.

REVENUE PASSENGERS CARRIED 1917-1942



The total wage cost was \$1,891,237.94 higher in 1942 than in 1941. There was an average of 311 more employees on the weekly payroll in 1942 than in 1941. By agreement, effective for one year from July 1, 1942, there was an increase of seven cents per hour in the wage rates of employees affiliated with Division 589 of the Amalgamated Association of Street, Electric Railway and Motor Coach Operators of America (Boston Carmen's Union).

During 1942 the wage rates of employees in the craft unions were also increased, becoming effective at various dates according to agreements. The wages of unaffiliated employees were increased proportionately.

FIXED CHARGES

Total fixed charges of the railway for 1942 were \$9,644,147.67 as compared to \$9,715,546.34 in 1941, a decrease of \$71,398.67 for 1942.

Interest

The total interest charge on bonds in 1942 amounted to \$3,877,-901.26 as compared to an interest charge of \$3,942,068.35 in 1941, a reduction of \$64,167.09 in 1942.

This reduction in the interest charge was accomplished by virtue of savings during 1942 resulting from refinancing through the Boston Metropolitan District of \$5,000,000 of Elevated bonds which matured on November 1, 1941 and by the savings for the last month of 1942 from refinancing through the District of \$8,286,000 of Elevated bonds maturing on December 1, 1942.

The Legislature, under the provisions of Chapter 567, Acts of 1941, authorized the Boston Metropolitan District to purchase \$16,456,000 principal amount of refunding bonds of the Boston Elevated Railway Company. This Act was designed to accomplish the refunding at reasonable interest rates of the then outstanding Elevated bonds not held by the District. Already under this Act there has been refunded \$13,286,000 of Elevated bonds referred to above.

On November 1, 1941 the Boston Metropolitan District issued \$5,000,000 principal amount of $1\frac{1}{4}\%$ serial bonds maturing annually over a 25 year period and purchased a \$5,000,000 principal amount

25 year bond of the Boston Elevated Railway Company bearing interest at the rate of $3\frac{1}{4}\%$. Under the provisions of this Act the interest rate paid by the railway Company is 2% in excess of the interest rate on the District bonds issued to provide funds for the purchase.

The savings from this refinancing are shown in the table below:

Cost of Service Saving to Boston Elevated Railway Company Arising Out of Refunding of \$5,000,000 $4\frac{1}{2}\%$ Bonds Maturing November 1, 1941

	Amount	Rate	Maturity	Annual Interest	Annual Discount and Expense	Total Annual Charges
Elevated Maturing Bonds	\$5,000,000	$4\frac{1}{2}\%$	Nov. 1, 1941	\$225,000	\$3,333.36	\$228,333.36
Elevated Refunding Bond	\$5,000,000	$3\frac{1}{4}\%$	Nov. 1, 1966	\$162,500	\$5,389.19	\$167,889.19
Annual Cost of Service Saving		\$60,444.17		Saving over 25 Year Life of Bond		\$1,511,104.25

On October 15, 1942 the Boston Metropolitan District issued \$8,286,000 principal amount of $11\frac{1}{4}\%$ serial bonds maturing annually over a 25 year period and purchased a \$8,286,000 principal amount 25 year bond of the Boston Elevated Railway Company bearing interest at a rate of $3\frac{1}{4}\%$, which interest rate is likewise 2% in excess of the interest rate on the District bonds.

The savings from the 1942 refunding are shown in the following table:

Cost of Service Saving to Boston Elevated Railway Company Arising Out of Refunding of \$8,286,000 5% Bonds Maturing December 1, 1942

	Amount	Rate	Maturity	Annual Interest	Annual Discount and Expense	Total Annual Charges
Elevated Maturing Bonds	\$8,286,000	5%	Dec. 1, 1942	\$414,300	\$15,232.68	\$429,532.68
Elevated Refunding Bond	\$8,286,000	$3\frac{1}{4}\%$	Oct. 15, 1967	\$269,295	\$24,171.04	\$293,466.04
Annual Cost of Service Saving		\$136,066.64		Saving over 25 Year Life of Bond		\$3,401,666.00

Thus, on these two issues of bonds alone, there is an annual saving of \$196,510.81 in the cost of service of the railway and a total saving of \$4,912,770.25 over the life of the bonds.

The above saving in the railway's cost of service is not the only benefit resulting from the refunding operations authorized by the Legislature. The interest paid to the District by the Elevated on these two issues of bonds will provide funds over the 25-year period of the bonds to retire \$7,741,000 or more than 58% of the principal amount of the District bonds while the District retains the Elevated bonds outstanding in the full amount.

Rentals for Subways and Rapid Transit Lines

In 1942 the railway accrued \$2,831,402.68 for subway and tunnel rentals payable to the City of Boston and to the Commonwealth of Massachusetts. The railway payments in that year amounted to \$2,829,752.66. Of this amount \$2,252,961.26 was used to pay interest on the bonds issued by the Commonwealth and by the City in order to provide these facilities and \$576,791.40 was made available to retire the principal of these bonds.

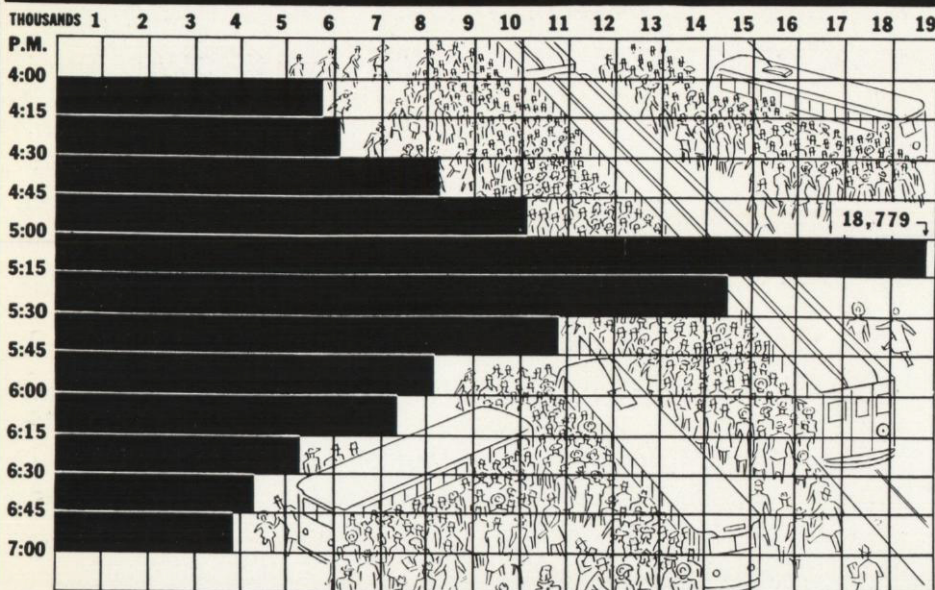
From the payments for interest and for subway and rapid transit rentals made by the railway in 1942 there was made available the sum of \$2,535,695.17 for the retirement of public debt, which sum was divided as follows:

Boston Metropolitan District	
a/c retiring District bonds	\$1,958,903.77
City of Boston	
a/c retiring subway and rapid transit debt	481,921.40
Commonwealth of Massachusetts	
a/c retiring Cambridge subway debt	94,870.00
Total	\$2,535,695.17

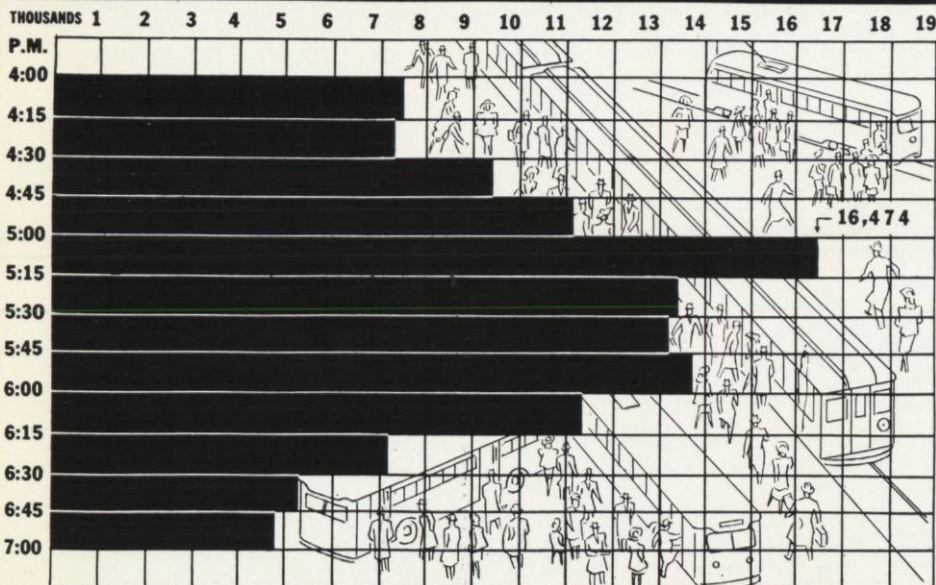
CAPACITY OF THE RAILWAY SYSTEM

By virtue of the heavy surge of riding to the railway there has naturally arisen the question of the potential capacity of the system.

BEFORE STAGGERED HOURS - PASSENGER TRAFFIC FLOW DURING "PEAK"
OF TRAVEL HOURS LOOKED LIKE THIS =
SEPTEMBER 30, 1942



AFTER STAGGERED HOURS - AND WITH 16,708 ADDED PASSENGERS -
TRAFFIC FLOW LEVELED OFF TO LOOK MORE LIKE THIS =
DECEMBER 9, 1942



PASSENGERS ENTERING DOWNTOWN STATIONS FROM 4 P.M. TO 7 P.M.:—
SEPTEMBER 30, 1942 = 103,509
DECEMBER 9, 1942 = 120,217

How many passengers can the railway system carry in the course of 24 hours? That theoretical question has significance only in terms of the realities of passenger travel. Obviously, if the riding could be spread evenly throughout the 24 hours of the day and night the "capacity" of the "El" would be immense, since the "El" is now carrying over its entire system about 140,000 passengers at the hour of maximum travel, namely, from 5:00 P.M. to 6:00 P.M. Of course, the demand for riding is not spread evenly throughout a 24-hour period. From 7:00 to 9:00 o'clock in the morning there is heavy traffic toward the center of Boston and from 4:00 to 6:00 o'clock in the evening heavy traffic toward home. The problem of every local transit company is to meet the demand for riding in the rush hour periods. The amount of service needed to transport the rush hour riders determines the manpower and equipment requirements.

Since the development of the war emergency the riding on the railway system has been fairly well spread. The increased riding has not been confined to the rush hours nor to the lines serving war plants. Nevertheless, because of the large over-all increase in riding, a part of which naturally occurred during rush hours, there had developed a measure of overcrowding during the rush hours, especially in the peak of the evening rush hour from 5:00 to 5:15 o'clock, which was not a satisfactory operating condition.

In order to relieve this condition, the first step in a planned system of staggering of working hours was taken on October 1, 1942. This initial step affected four groups of employees working in central Boston: the employees of the City of Boston, the Commonwealth of Massachusetts, insurance firms and Boston retail stores. Under the plan employees of the City of Boston started and ended their working day one hour earlier; State employees working in Boston started and ended their working day three-quarters of an hour earlier; some employees in Boston insurance firms started and ended their working day one-quarter hour earlier, others one-half hour earlier, and some started and ended their working day one-quarter hour later and others one-half hour later; and employees in Boston retail stores started and ended their working day one-quarter hour later than before.

The immediate effect of the first step of staggering of working hours was beneficial in spreading the rush hour riding over a longer period of time. The extreme peak of riding from 5:00 P.M. to 5:15 P.M., the crucial period to which we have referred, was reduced by about 20 per cent. The number of riders from 5:15 P.M. to 5:30 P.M. was reduced by about 12 per cent. The number of riders from 5:30 P.M. to 6:00 P.M. increased. Many cars, trains and buses were able to make two rush hour trips instead of one, thus providing, with the equipment available, a greater amount of service when it was most needed.

To the members of the City of Boston War Transportation Conservation Committee who developed, approved and made effective the staggered working hour plan, and to the employees and employers affected, we wish to express our sincere thanks.

In spite of the beneficial effects since October 1, 1942 resulting from the initial step taken in the staggering of working hours, riding on the railway shows a tendency to increase in the hour from 5:00 to 6:00 o'clock in the evening. As the second step to be taken in order to prevent the development of riding conditions inimical to safe and efficient transportation, the City of Boston War Transportation Conservation Committee suggested that there should be an appeal to those railway riders who could do so to change voluntarily their hours of travel in order to avoid riding in the rush hours and, particularly, between 5:00 P.M. and 6:00 P.M. Accordingly, on Saturday, December 19, 1942, the Committee, in an advertisement sponsored by the railway, issued a statement asking for public co-operation in this regard on a voluntary basis.

In the event that co-operation on the part of the riders is not sufficient to keep the riding in the 5:00 P.M. to 6:00 P.M. "peak" hour within the railway's carrying capacity, the City of Boston War Transportation Conservation Committee will take under consideration an extension of the staggered working hour plan to include other relatively large groups of employees who contribute to this "peak" hour.

DIFFICULTIES IN OBTAINING EQUIPMENT AND REPAIR PARTS

For all practical purposes the carrying capacity of the railway system must be considered to be that which can be provided by the existing surface and rapid transit cars, buses and trackless trolleys. Because critical materials are used in the construction of these vehicles, governmental authorities have limited sharply the number of new vehicles that can be manufactured. In terms of the number of new vehicles which transit companies need now, the number of new vehicles which is likely to be made available to transit companies throughout the nation is extremely small.

So serious is this question of equipment that the Office of Defense Transportation in Washington has issued a list of directives intended to bring about the fullest possible use of transit equipment. Moreover, as a condition to the purchase of new buses by any transit company that company must agree to transfer such buses to any other transit company which, in the opinion of the Office of Defense Transportation, is in greater need of them than the transit company to which delivery was originally made.

We on this railway are proceeding on the assumption that we will have to do the best possible job of transporting the public with the equipment which we now have. Deliveries of new vehicles in the near future are expected to be in such small numbers that, although of help, they can not be expected to increase materially the over-all capacity of the railway.

As of January 1, 1942 the railway had on order 39 buses. The railway ordered 90 buses during 1942. During that year 34 buses were delivered, so that as of the end of 1942 the railway had 95 buses remaining on order, of which seven were delivered in January, 1943. We expect delivery during the next two or three months of 12 of the buses remaining on order.

The railway had on order 50 trackless trolleys as of January 1, 1942. The Office of Defense Transportation certified that 30 of these trackless trolleys were needed in this area and the War Production Board authorized their construction for probable delivery within the first quarter of 1943.

On May 6, 1942 the railway ordered 100 P.C.C. cars, the new type of surface car of which the railway now has 21. The War Production Board, in January, 1943, authorized the construction of some of the P.C.C. cars on order throughout the country, and 65 cars for the Boston Elevated were included in this authorization.

The table below shows the railway's equipment divided into various age groups as of December 31, 1942:

Surface Cars	No.	% of Total
Under 20 years old	407	39
20 to 30 " "	554	52
Over 30 " "	94	9
Total	1,055	100
 Rapid Transit Cars		
Under 20 years old	207	43
20 to 30 " "	216	45
Over 30 " "	59	12
Total	482	100
 Buses		
Under 10 years old	511	88
Over 10 " "	71	12
Total	582	100
 Trackless Trolleys		
Under 10 years old	132	100

After the war is over and new equipment is again available the railway will be required to replace a substantial number of existing cars and buses with new equipment. A number of the buses which are now in service would have been retired in normal times. Now,

however, these older buses are being maintained in a safe operating condition and are performing a useful transportation service, although, naturally, they are not efficient vehicles from the point of view of the relatively high expense of keeping them in operating condition, nor are they as comfortable or of as good appearance as the more modern buses.

Not only is the delivery of new equipment to any company subject to governmental authorities, but delivery of repair parts for equipment is subject to the same kind of control through the workings of the priority system. This difficulty of obtaining parts is further accentuated by the fact that the bus builders and the manufacturers of most of the unit parts of buses have diverted their major activities to the production of war materials and are producing a much smaller quantity of parts. In some instances this diversion has led to the discontinuance of the manufacture of certain parts. Old parts must therefore be continued in service by what would be, in normal times, uneconomical methods. In many cases the railway has to repair, make over and re-adapt parts to continue equipment in operation.

Effective since December 1, 1942, all buses, trackless trolleys and commercial vehicles have been certified and licensed by the Office of Defense Transportation for the purpose of controlling the use of rubber. The regulation provides for the inspection of the tires and steering mechanism of all such vehicles every 5,000 miles or every 60 days, whichever comes sooner. This inspection must be made by an authorized inspector of the Office of Price Administration. Although certification by the Office of Defense Transportation is necessary to operate these vehicles, such certification does not guarantee that the necessary tires or fuel for the vehicles will be obtained by authorization from the Office of Price Administration.

The tires for our buses and trackless trolleys can only be obtained after issuance of certificates from the rationing boards in the area served by the railway. Since the quota allowed the several rationing boards does not meet the demands on them, they have not been able to furnish us with all of the tire certificates to which we are entitled under the rationing regulations and which we require for efficient operation.

Under the rationing regulations we were entitled to 894 spare tires at the end of 1942. Actually, we had on hand then 386 spare tires, or 508 fewer than the number to which we were entitled and 489 fewer spares than when rationing went into effect on January 5, 1942.

We are glad to be able to report that, in spite of the difficulties in obtaining repair parts for cars, buses and trackless trolleys, and in spite of the decrease in the number of spare tires available, we were able to keep all vehicles in passenger service during 1942.

Before the war broke out and before material was as difficult to obtain as it is now we reconditioned many vehicles, both rail and rubber tired, which were in storage. It would be impossible to carry out now some of the work of reconditioning which was performed in 1941.

THE NEW VICTORY BUS

Substitutes for various materials have had to be used as the Government has stipulated that these materials were necessary for war purposes. A good example of the use of substitute materials, of the simplification of decorations and of the elimination of accessories not absolutely necessary is furnished by the new Victory Bus, so-

THE NEW O.D.T. VICTORY BUS



called, which is constructed under specifications of the Office of Defense Transportation. We have already referred to the delivery of seven of these buses in January, 1943.

The body and roof of these new Victory buses are of steel, whereas the body and roof of previous buses of the same model were of aluminum. The upright stanchions, grab rail and seat back grab handles are of hickory, whereas these parts in previous buses were of stainless steel. The use of stainless steel, chrome and nickel plate has been eliminated in these new buses. The painting of the exterior of these buses is in two colors, whereas the exterior paint job on previous buses was in three colors. On the new Victory buses there is no side destination sign such as there was on previous buses. These changes were made in the interest of the war effort and have in no way impaired the essential usefulness of the buses.

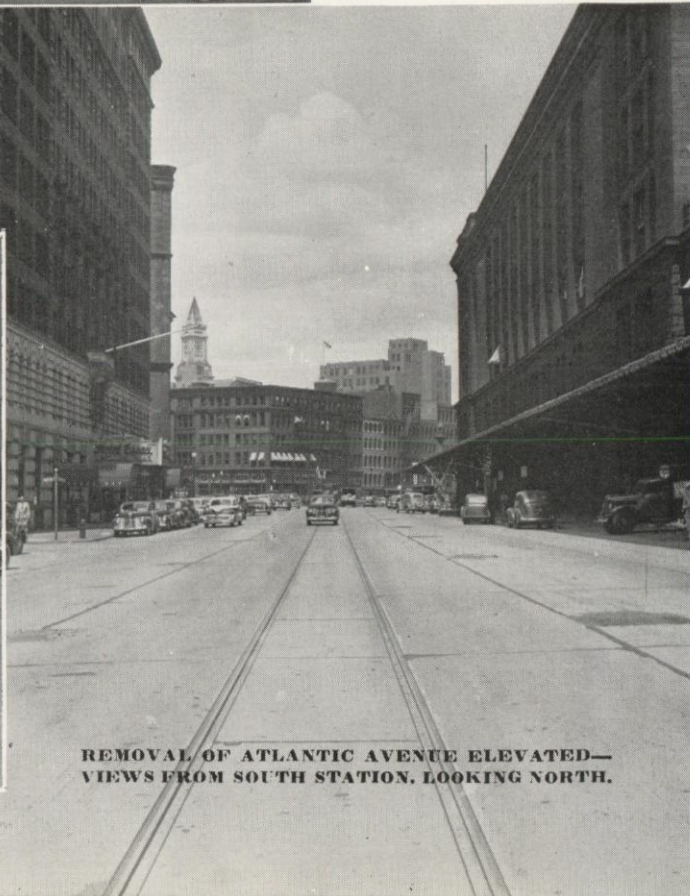
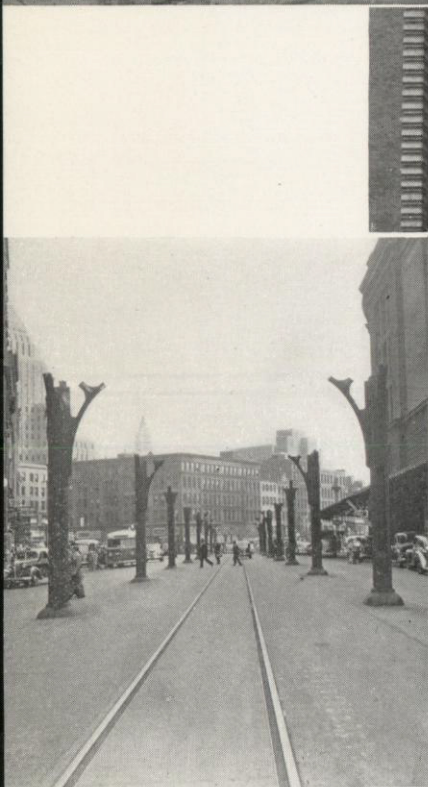
CO-OPERATION BY THE RAILWAY WITH GOVERNMENTAL AGENCIES

We have done everything within our power to co-operate with the various governmental authorities in their plans to win the war and we shall continue so to do.

Conversion from Oil to Coal Heating Equipment

Conversion of oil heating equipment to the use of coal at 11 locations of the railway, including garages, lobbies, a carhouse and a waiting room, is saving more than 250,000 gallons of fuel oil on an annual basis.

The largest saving of fuel oil is coming from the installation of coal burning equipment at the garages, six in number, where a total of 165,300 gallons of fuel oil is being saved on an annual basis. The conversion from oil burning equipment to the use of coal at a carhouse is saving 52,700 gallons of fuel oil on an annual basis. The balance of the saving of oil is coming from the conversion to coal burning equipment at a headquarters building, two lobbies and a waiting room.



REMOVAL OF ATLANTIC AVENUE ELEVATED—
VIEWS FROM SOUTH STATION. LOOKING NORTH.

The first conversion was completed on July 24, 1942 and the last at the end of January, 1943.

Complete conversion has been made at all heating plants operated by the railway except at three locations where only about 4,000 gallons of fuel oil will be used on an annual basis.

Saving of Rubber and of Gasoline

One of the major objectives of the Office of Defense Transportation has been directed at the curtailment of bus service, wherever possible, to the end of conserving rubber. We on the Elevated have co-operated in this effort. Bus service which was in duplication of existing rail service has been discontinued or curtailed. Bus service which was being furnished on lightly used lines or parts of lines has been limited to those parts of lines and to those periods of the day when such service was justified under war conditions. The operation of chartered buses for private groups has been discontinued except to war plants and for military purposes. We estimate that the steps taken are saving well over 11,000,000 bus tire miles on an annual basis and are, of course, resulting in substantial savings of gasoline.

"Getting in the Scrap"

In 1942 the railway made available for war purposes more than 24,000 tons of steel, iron and copper scrap. Of this amount 10,807 tons were made available by the railway through the transfer of title to abandoned street railway tracks to the cities and towns in which the rails were located; 9,940 tons by the removal of the Atlantic avenue "El" structure and 3,471 tons from the disposal of worn-out parts. We are confident that this enormous amount of scrap metal was an important contribution to the war effort.

Preparations for Air Raids, Blackouts and Dimouts

The railway has co-operated wholeheartedly with the instructions of the Massachusetts Committee on Public Safety relative to executive proclamations and with the Army regulations issued as to precautions to be taken against air raids and sabotage and in connection with blackouts and dimouts.

The following steps have been taken and procedures developed:

Operators have been given detailed instructions as to what to do in emergencies.

Various employees have been instructed as to how to extinguish incendiary bombs and fires therefrom.

A considerable number of employees have been instructed in first aid.

All illuminated signs over which the railway has control have been extinguished for the duration.

During blackouts the lights at outdoor stations and those of the signal system of the rapid transit lines and all other lights which can be seen from the street are to be put out.

Lights are to be put out in buildings during blackouts. During such time, general work requiring light is to stop. The windows, doors and skylights of offices which must be used during blackouts have been blacked out.

The upper half of all headlights on passenger and commercial vehicles of the railway has been blacked out.

The upper three-quarter's of the open area of windows in waiting rooms, garages, shops and miscellaneous buildings has been painted.

Lights in yards, shops and garages and miscellaneous buildings have been equipped with metal hoods to throw the light downward.

A plan has been set up whereby buses are to be used in transporting persons over short distances in the event of interruption to rail services or because of the necessity of evacuating danger zones. In mass evacuation, buses are to be used also to move sick persons to their destination.

Equipment has been provided for the purpose of converting buses

into stretcher carrier ambulances in case of mass evacuation of patients from institutions and from steamers.

Additional first aid rooms and fire fighting equipment have been provided.

The management and personnel of the "El" are aware of the dangers which may arise at any time. We have obtained special equipment and developed orderly procedures to meet these dangers. If and when the test comes we believe we shall be ready and able to meet it.

Purchase of War Savings Bonds

In various ways the railway has urged employees to buy War Savings Bonds to the full extent of their ability and since November 2, 1942, the railway has been designated as an issuing agent for the Federal Reserve Bank of Boston. This procedure has enabled buyers of bonds under the payroll allotment plan to receive their bonds within a short time after payment.

Several divisions of the railway have received the "Minute Man" flag by virtue of having 90 per cent. or more of their employees buying War Savings Bonds under this plan.

For the railway as a whole as of December 31, 1942, there were 6,000 employees, or 88 per cent. of the entire personnel, who were buying War Savings Bonds by means of the payroll allotment plan.

Employment of Women to Replace Men Entering the Armed Services

The past year has seen a partial replacement of men by women in offices of the railway. As the war continues this substitution of women for men in offices will undoubtedly continue.

With the increasing shortage in man power we are giving consideration to the employment of women in car service. In fact, applications of women for work as conductors are now being received. Although no women have as yet been given examinations for the position of conductors, a standard of requirements for the position has been set up. How soon the railway will employ women conductors can not now be determined. We are preparing, however, to employ women in such positions should the need arise. The lines most adaptable for the

use of women conductors are the lines operating through the Boylston and Tremont street subways, namely, the Lake street-Lechmere, the Reservoir-Lechmere and the Arborway-Park street lines.

Should man power become unavailable to replace the men of our operating force called to the armed services, then the employment of women as operators of cars, buses and trackless trolleys would become necessary.

EMPLOYEES

The number of employees on the weekly payroll of the railway was 6,743 in the last week of 1942 as compared to 6,216 in the same week of the previous year. This increase was necessary in order to operate the greater mileage needed to take care of the much higher level of riding due to the war and in order to train the new employees needed to replace those who were called into the armed services.

"El" Employees in the Armed Forces

The number of "El" employees in the armed forces of the United States as of the end of 1942 was 467. The first employee to wear the national uniform left the railway on August 16, 1940, two and one half years ago. Since then, employees in all branches of the railway service and in many occupations have either enlisted or been selected for service.

The following table shows the number of men who, as of the end of 1942, were on a leave of absence from the various departments of the railway for service in the armed forces:

Transportation department	259
Rolling Stock and Shops department	89
Maintenance department	72
Power department	27
General offices	20
Total	467

Of the above 318 are in the Army, 120 are in the Navy, 17 in the Air Corps and 12 are in the Marine Corps.

In this report of the railway's activities for 1942, we wish to pay our tribute of respect and honor to these former employees who are in the service of our country and to express our hope for their well being and safe return.

Replacement of Employees

Up to the present, the replacement of employees who have left for the armed services and for work elsewhere has so far been accomplished without great difficulty.

Until the middle of January, 1943, vacancies in car, train and bus service were filled from a list established following written and physical examinations and credit for education and experience, which, taken together, constituted what we have called a "merit plan" of employee selection. This list for car, train and bus service was originally established on December 15, 1939 and was supplemented by a list of applicants who qualified for it by virtue of an examination held on May 2, 1942. Appointments from this list were made in order of ranking.

Since the list referred to above became exhausted, applicants who have the necessary qualifications for employment in car, train and bus service are being given a written examination through the United States Employment Service, which comes under the control of the War Manpower Commission. As we shall need them, the men who pass the written examination of the United States Employment Service will be appointed in order of grading after passing a thorough physical examination.

Although up to the present time the railway has been able to make replacements in the crafts, the supply of skilled labor is becoming more and more scarce. Most of our skilled mechanics have been with us for a number of years and are not within the age groups now being selected for the armed services. These skilled employees have realized that they can make their greatest contribution to the war effort by continuing to perform for the railway the work for which they are best qualified, work which has been classified by the Government as essential to the war effort. Increasing difficulties will be encountered, however, when married men with dependents are called to the armed services.



AMERICAN TRANSIT ASSOCIATION SAFETY PLACQUE

NATIONAL SAFETY AWARD

We are pleased to report that the railway, for the sixth time in its history, won national recognition for safety by being awarded in 1942 the American Transit Association plaque for "high achievement in traffic and passenger safety in 1941." This award crowns a 25-year safety record unequalled by any other transit company.

The good work in accident prevention continued in 1942. Transporting an average of well over 1,000,000 passengers a day, the "El" further reduced its traffic accidents on a mileage basis by more than eight per cent. in 1942 as compared to 1941, the year for which the safety award was made.

For their part in making this safety record possible, the "El" is glad to acknowledge the co-operation of the various agencies which have worked for safety in the community served by the "El"; the

people of Greater Boston who have been keenly aware of safety problems and co-operative in solving them; and its own employees whose splendid work was the most important factor in winning the award.

Because of the "El's" repeated national successes in the field of safety, the railway has been barred from further competition for this award. We believe it appropriate, therefore, that as a matter of permanent record the number of safety awards won by the railway should be made a part of this report. The "El's" record of safety is shown below, each award being based on the safety record of the year previous to the one in which the award was made.

1915

Won the first Anthony N. Brady Memorial
Medal for safe operation.
(Competition suspended from 1917 to 1925)

1929

Won Brady Medal for the second time.

1931

Won Brady Medal for the third time.

1932

Won Brady Medal for the fourth time and, by a
special ruling of the Committee on Awards,
barred from the next three competitions.

1936

Won Brady Medal for the fifth time and barred
from the next five competitions.

1942

Won American Transit Safety Award, success-
or to the Brady Medal, and barred from
further competition.

In brief, the "El" won the first Brady Medal. The "El" is first in the number of national awards won, six as compared with a maximum of two for any other street railway. Beginning in 1931 the "El" has won every competition for which it was eligible.

Needless to say, although barred from further competition for this national safety award, the management and the employees of the railway are devoting and will continue to devote their best efforts to furnishing the safest possible transportation for its many riders.

COMPLAINTS

During 1942 the total number of complaints was 920, which compares well with 913 for 1941 and with an average number of 1,083 from 1932 to 1941, inclusive. All complaints received by the railway receive careful attention and, whenever possible, a representative of the railway interviews the complainant.

PROCEEDINGS OF THE ATTORNEY-GENERAL

During the past year proceedings were instituted in the Superior Court by the Attorney-General under authority of Chapter 89 of the Resolves of 1941 which authorized an action to be brought seeking a declaratory judgment interpreting the Public Control Act pertaining to the authority of the public trustees to make certain charges to the cost of service and their accounting duties incidental to such charges, or such other proceeding at law or in equity as the Department of Public Utilities and the Attorney-General should deem advisable. The City of Boston has intervened in this proceeding and hearings on preliminary matters have been held in the Superior Court.

REMOVAL OF THE ATLANTIC AVENUE ELEVATED STRUCTURE

On January 21, 1942 a decree was entered in proceedings brought by the private Directors of the railway Company in the Supreme Judicial Court of Massachusetts under Chapter 482 of the Acts of 1939

determining that the right of the Company to maintain and operate the Atlantic avenue elevated structure so-called was forfeited. This cleared the way for removal of this structure.

Immediately after this decision the railway commenced removal of those portions of the structure which it desired to retain and contracted for the removal of the remainder of the structure. The work of removal was completed on June 10, 1942 except for minor items which were completed during the year.

CONCLUSION

As shown by the financial statement appended to this report, the income of the railway Company exceeded the cost of the service as defined by the terms of the Public Control Act by the sum of \$924,204.46.

With respect to the business of this railway, the trend in riding is still upward. The expectations are that such will continue, although the rate of increase cannot be predicted. Several factors may tend to discourage certain types of riding. On the other hand, the war effort in this community daily becomes more intense, with an attendant greater use of the railway's services. As rubber tires wear out the owners of automobiles are turning more and more to the Elevated for transportation. Further restrictions on the use of private automobiles for pleasure riding have caused an increase in the use of public transportation facilities.

In 1943 there will be obstacles of a serious nature to overcome. There will be difficulties in obtaining suitable man power replacements, new equipment and necessary repair parts. Nevertheless, largely by virtue of timely planning and by the existence of an extensive transit system properly maintained for years past, we believe that we face a crucial year able to perform the task of transporting large numbers of people in a war busy metropolitan area.

Undoubtedly, at certain hours there will be crowded conditions in our cars, buses and rapid transit trains. In this respect, we ask for an understanding of how the war emergency is affecting transportation facilities and for co-operation on the part of the riding pub-

lic. Individuals can help. In various advertisements and publicity material issued during 1942 we have indicated the ways in which they can do so. A fine spirit of co-operation has been manifested in carrying out the planned staggering of working hours and in voluntary staggering of travel times. Every effort must be made during 1943 to prevent any further rise in the "peak" of the evening rush hour.

In 1943 we ask for the continued co-operation of our riders so that with their help and with the facilities and with the man and woman power now and henceforth available we can continue to be able to meet the ever increasing demand for public transportation. When and where needed, we shall furnish transportation services to the limit of the railway's capacity, keeping always in mind, however, that the order of the day calls for the utmost conservation of all transportation facilities, so vital are they to the successful advancement of war objectives.

BOARD OF PUBLIC TRUSTEES,
BOSTON ELEVATED RAILWAY COMPANY

Edward A. Whiting

Chairman

Henry J. Smith

Secretary

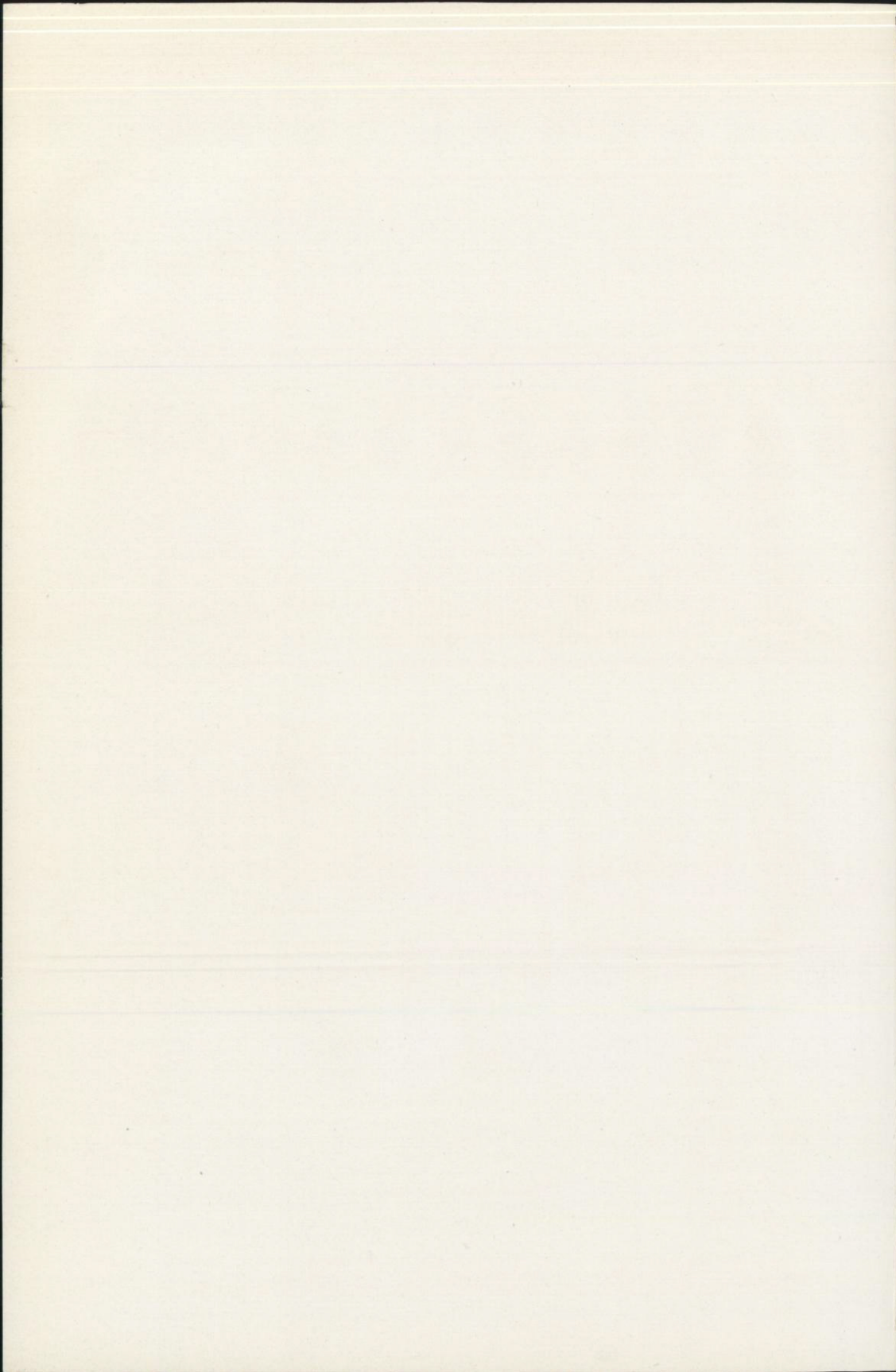
Ernest J. Johnson

William. P. Joy

Patrick J. Walsh

February 1, 1943

**FINANCIAL STATEMENTS
AND
STATISTICS**



Lybrand, Ross Bros & Montgomery
BOSTON MASSACHUSETTS

To the Board of Public Trustees of
Boston Elevated Railway Company,
Boston, Massachusetts.

We have examined the balance sheet of the Boston Elevated Railway Company as of December 31, 1942, and the accompanying statement of income and of the cost of the service for the year then ended, have reviewed the system of internal control and the accounting procedures of the company and have examined or tested accounting records of the company and other supporting evidence, by methods and to the extent we deemed appropriate. In accordance with accepted audit procedure, we made an examination in detail of such portion of the transactions as we deemed appropriate and no limitation as to the scope of our examination was placed upon us by the Board of Public Trustees or officials of the company.

In our opinion, the provision for depreciation of road and equipment in the year 1942 charged to the cost of the service as shown in the accompanying schedule of operating expense accounts is fair and reasonable, but the amount accrued in the reserve for depreciation of property and for obsolescence and losses in respect to property sold, destroyed or abandoned, appearing in the accompanying balance sheet, is inadequate.

In our opinion, subject to the comments in the preceding paragraph, the accompanying balance sheet and related statement of income and of the cost of the service present fairly the position of the Boston Elevated Railway Company at December 31, 1942, and the results of its operations under public control for the fiscal year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Boston, Massachusetts
January 29, 1943

Lybrand, Ross Bros & Montgomery

BALANCE

ASSETS

	December 31	
	1942	1941
Fixed assets:		
Road and equipment:		
Way and structures	\$ 55,655,881.62	\$ 60,948,149.83
Equipment	32,180,726.13	31,909,641.49
Power	15,610,685.07	15,608,358.84
General and miscellaneous	1,972,311.37	1,972,733.17
Unfinished construction	23,475.60	36,542.64
Total road and equipment	\$105,443,079.79	\$110,475,425.97
Miscellaneous physical property	754,378.14	688,978.14
Advances for road and equipment on leased roads — Eastern Massachusetts Street Railway Company	232,455.28	232,455.28
Total fixed assets	\$106,429,913.21	\$111,396,859.39
Current assets: (note C)		
Cash in banks and on hand	\$ 2,286,798.13	\$ 3,396,967.08
Special deposits	396,892.57	352,649.99
Miscellaneous accounts and rents receivable	135,062.29	413,019.96
Material and supplies	2,796,139.36	2,574,653.48
Other current assets	72,330.00	37,240.00
Total current assets	\$ 5,687,222.35	\$ 6,774,530.51
Other investments: (note C)		
United States Treasury Bonds	\$ 1,760,000.00	—
United States Treasury Notes	940,000.00	—
United States Treasury Certificates of Indebtedness	200,000.00	—
United States War Savings Bonds	100,000.00	—
Mortgage Notes receivable	69,000.00	\$ 100,000.00
Total other investments	\$ 3,069,000.00	\$ 100,000.00
Deferred charges and unadjusted debits:	\$ 268,720.00	\$ 108,202.07
Prepaid expenses		
Unamortized discount and expense on bonds	1,627,754.59	1,102,386.86
Other unadjusted debits	186,061.76	98,752.85
Total deferred charges and unadjusted debits	\$ 2,082,536.35	\$ 1,309,341.78
TOTAL ASSETS	\$117,268,671.91	\$119,580,731.68

For Balance Sheet notes see page 36.

SHEET

LIABILITIES

	December 31	
	1942	1941
Funded debt (per schedule, page 46):		
Bonds held by Boston Metropolitan District	\$ 73,030,917.00	\$ 64,744,917.00
Bonds held by others:		
Not due within one year	3,170,000.00	3,170,000.00
Due within one year	—	8,286,000.00
Total funded debt	\$ 76,200,917.00	\$ 76,200,917.00
Current liabilities:		
Accounts and wages payable	\$ 745,184.11	\$ 748,060.84
Accrued interest, dividends and rents payable	1,375,196.35	1,356,355.58
Accrued taxes (note A)	606,374.59	184,310.29
Unredeemed tickets	49,657.20	36,372.46
Other current liabilities	169,415.83	53,388.23
Total current liabilities, exclusive of bonds due within one year shown above	\$ 2,945,828.08	\$ 2,378,487.40
Reserve for depreciation of property and for obsolescence and losses in respect to property sold, destroyed or abandoned..	\$ 14,650,477.69	\$ 18,006,934.07
Reserve for injuries and damages	\$ 938,294.89	\$ 952,409.38
Unadjusted credits:		
Unamortized premium on bonds	\$ 4,627.56	\$ 8,554.08
Other unadjusted credits	110,900.76	540,008.28
Total unadjusted credits	\$ 115,528.32	\$ 548,562.36
Capital stock (per schedule, page 46):		
Common stock (238,794 shares of \$100.00 par value each)	\$ 23,879,400.00	\$ 23,879,400.00
Premium on common stock	2,707,428.13	2,707,428.13
Total common stock and premium	\$ 26,586,828.13	\$ 26,586,828.13
Profit and loss and surplus accounts:		
Deficit prior to July 1, 1918	\$ 12,127.83*	\$ 12,127.83*
Deficit year ended June 30, 1931	1,969,473.12*	1,969,473.12*
Cost of service deficit (note B):		
Year ended March 31, 1941	2,341,167.29*	2,341,167.29*
Nine months ended December 31, 1941	1,311,406.44*	1,311,406.44*
Excess of income over the cost of the service for the year ended December 31, 1942 (Note C)	924,204.46	—
Surplus arising from consolidation with West End Street Railway Co. June 10, 1922 and reorganization July 1, 1931	540,768.02	540,768.02
Total profit and loss and surplus accounts (debit)	\$ 4,169,202.20*	\$ 5,093,406.66*
TOTAL LIABILITIES	<u>\$117,268,671.91</u>	<u>\$119,580,731.68</u>

* Denotes debit balance.

NOTES TO BALANCE SHEET AND TO STATEMENT OF INCOME AND THE COST OF THE SERVICE

Note A—Federal Income Taxes

Under a decision of the United States Circuit Court of Appeals rendered November 4, 1942, with respect to which a petition for writ of certiorari is pending before the United States Supreme Court, the company was held liable for federal income taxes for the years 1933 to 1937, inclusive. The amount of the taxes determined in accordance with said decision for the years 1933 through 1941 with accrued interest thereon to December 31, 1942, is \$1,343,901.50. As sufficient reserves had not been provided for these taxes in prior years, it was necessary to charge the amount of \$930,005.81 to profit and loss in 1942. As a result of certain deductions which do not enter into the computation of the cost of the service but are allowable for federal income tax purposes, it is believed that no federal income or excess profits taxes have been incurred for the year 1942.

Note B—Advances by the Commonwealth under Public Control Act

Amounts advanced by the Commonwealth of Massachusetts to the Boston Elevated Railway Company for deficits in the cost of the service (July 1, 1931 to March 31, 1940) total \$18,604,378.29 December 31, 1942. When the company has an excess of income over the cost of the service it will be obligated to make repayments to the Commonwealth on account of the amounts so advanced, after applying such excess to the restoration of the Reserve Fund to its original amount of \$1,000,000.00, and to the payment of current rentals on the Governor Square Extension of the Boylston Street Subway and reimbursement of the Commonwealth for payments made by it to the City of Boston for one-half of similar rentals for prior years as required by St. 1930, Ch. 394.

Under authority of Legislative Resolve of 1941 the Attorney General has instituted proceedings with respect to the propriety of the method used by the Trustees in determining deficits under terms of the Public Control Act. In the meantime, payment to the company of the amounts of the deficits certified to the Commonwealth by the Trustees for the twelve months ended March 31, 1941 and for the nine months ended December 31, 1941 in the amounts of \$2,341,167.29 and \$1,311,406.44 respectively has been withheld by the Commonwealth.

Note C—Reserve Fund

The excess of income over the cost of the service for 1942 (\$924,204.46) is applicable to the restoration of the Reserve Fund and cash or securities of this amount will be transferred to the Reserve Fund as provided in Section 9 of the Public Control Act.

STATEMENT OF INCOME AND THE COST OF THE SERVICE FOR YEAR ENDED DECEMBER 31, 1942

(As defined in Section 6, Chapter 159, Special Acts, 1918)

Operating Revenue:

Passenger Revenue	\$32,541,461.46	
Special Car and Special Bus Revenue....	67,373.10	
Total Revenue from Transportation..		\$32,608,834.56
Station and Car Privileges	\$ 540,827.77	
Rent of Buildings and Other Property...	68,334.01	
Power Sales	11,484.70	
Other Operating Revenue	911.61	
Total Revenue from Other Operations		621,558.09
Total Operating Revenue		\$33,230,392.65

Operating Expenses:

Way and Structures	\$ 3,122,156.89	
Equipment	3,300,562.63	
Power	2,145,102.65	
Conducting Transportation	10,309,661.25	
Traffic	51,588.08	
General and Miscellaneous	2,744,370.51	
Transportation for Investment (credit)..	12,022.82	
Total Operating Expenses		21,661,419.19
(Incl. Depreciation \$2 184,464.26)		
Operating Income Before Taxes		\$11,568,973.46

Taxes Assignable to Operations (note A) . . .

Operating Income	\$ 9,874,068.01
------------------------	-----------------

Non-Operating Income

Gross Income	\$ 9,896,296.86
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Deductions from Gross Income:

Interest on Funded Debt	\$ 3,877,901.26
Amortization of Discount on Funded Debt	78,908.36
Subway and Rapid Transit Line Rental...	2,831,402.68
Dividends (required by law)	1,193,970.00
Rent for Leased Roads	45,968.28
Other Deductions	12,293.28

Total Deductions from Gross Income.	8,040,443.86
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Operating Profit for the Year

\$1,855,853.00

Profit and Loss Items:

Additional Federal Income Tax Liability—	
Years 1933-1940	\$ 930,005.81
Other Items (Net)	1,642.73

Total Profit and Loss Items, Net	931,648.54
---------------------------------------	------------

Excess of Income over the Cost of the Service for the Year

\$ 924,204.46

For notes to Statement of Income, see page 36

OPERATING EXPENSE ACCOUNTS

	Years Ended December 31	
	1942	1941
Way and Structures:		
Superintendence of Way and Structures ..	\$ 313,834.70	\$ 283,764.84
Maintenance of Track and Roadway	1,054,261.27	930,152.93
Removal of Snow and Ice	162,877.72	215,682.20
Tunnels and Subways	27,489.61	21,144.80
Elevated Structures and Foundations ...	67,979.19	52,177.63
Bridges, Trestles and Culverts	8,711.11	13,737.12
Crossings, Fences and Signs	13,384.75	10,923.53
Signals and Interlocking Apparatus	27,934.92	28,102.67
Telephone and Telegraph Lines	4,588.58	6,420.01
Other Miscellaneous Way Expenses	66,785.80	40,178.93
Maintenance of Electric Line Equipment..	213,853.29	210,065.40
Maintenance of Buildings, Fixtures and Grounds	411,656.00	404,629.08
Depreciation of Way and Structures	748,800.00	748,800.00
Total Way and Structures	\$ 3,122,156.89	\$ 2,965,779.14
Equipment:		
Superintendence of Equipment	\$ 113,018.57	\$ 105,816.43
Maintenance of Revenue Equipment	1,234,182.27	1,233,666.02
Maintenance of Rail Service Equipment .	16,669.41	18,768.02
Elec. Equip. Maint. of Revenue Equipment	369,936.44	337,513.65
Shop Equipment	41,502.32	52,579.36
Shop Expenses	301,262.77	263,303.73
Miscellaneous Equip. (Autos, Trucks & Tractors)	53,526.59	60,666.43
Depreciation of Equipment	546,000.00	530,400.00
Depreciation of Buses & trackless Trolleys	624,464.26	614,356.45
Total Equipment	\$ 3,300,562.63	\$ 3,217,070.09
Power:		
Superintendence of Power	\$ 96,343.26	\$ 90,821.79
Maintenance of Power Plant Bldgs. Equipment	165,403.16	165,876.66
Depreciation of Power Plant Bldgs. & Equipment	265,200.00	280,800.00
Operation of Power Plants	1,227,889.91	1,023,193.48
Gasoline and Fuel Oil for Buses	390,266.32	290,041.43
Total Power	\$ 2,145,102.65	\$ 1,850,733.36

OPERATING EXPENSE ACCOUNTS (Concluded)

	Years Ended December 31	
	1942	1941
Conducting Transportation:		
Superintendence of Transportation	\$ 1,341,618.02	\$ 1,185,778.53
Pass. Car, Trainmen and Bus Operators..	6,164,487.41	5,148,110.77
Misc. Car and Bus Service Employes	185,360.40	186,060.24
Misc. Car and Bus Service Expenses	118,185.11	112,547.91
Station Employes	775,090.10	696,182.43
Station Expenses	227,537.17	208,258.51
Car House and Bus Garage Employes.....	901,233.46	813,030.07
Car House and Bus Garage Expenses.....	113,639.22	94,786.02
Operation of Signal & Interlocking Apparatus	248,203.16	230,468.49
Operation of Telephone & Telegraph Lines	16,038.94	14,645.34
Other Transportation Expenses	218,268.26	197,814.31
Total Conducting Transportation	\$10,309,661.25	\$ 8,887,682.62
 Traffic	 \$ 51,588.08	 \$ 36,348.27
General and Miscellaneous:		
Salaries and Expenses of General Officers	\$ 93,816.38	\$ 87,464.91
Salaries and Expenses of General Office Clerks	476,689.33	421,519.61
General Office Supplies and Expenses....	90,230.55	82,430.29
Law Expenses	50,453.40	48,965.98
Pensions and Gratuities	235,140.52	225,901.14
Miscellaneous General Expenses	111,807.08	95,772.22
Injuries and Damages	987,895.30	941,123.26
Insurance	207,427.23	126,876.84
Stationery and Printing	99,801.39	77,066.69
Store Expenses	264,247.12	231,763.96
Garage Expenses (Excl. Bus Garages) ...	105,770.25	100,330.13
Rent of Equipment	21,091.96	13,875.62
Total General and Miscellaneous	\$ 2,744,370.51	\$ 2,453,090.65
 Transportation for Investment	 \$12,022.82†	 \$23,341.98†
 Total Operating Expenses	 \$21,661,419.19	 \$19,387,362.15

† Credit

ROAD AND EQUIPMENT INVESTMENT

	Total Dec. 31, 1942	Total Dec. 31, 1941
Way and Structures:		
Engineering and Superintendence	\$ 1,376,264.87	\$ 1,722,072.11
Right of Way	8,543,021.58	11,465,147.56
Other Land	5,780,215.59	5,797,576.21
Grading	300,369.67	300,783.22
Ballast	702,100.30	702,146.58
Ties	663,207.63	692,806.75
Rails, Rail Fastenings and Joints	1,342,707.06	1,397,860.04
Special Work	4,279,799.99	4,282,974.65
Track and Roadway Labor	3,793,526.97	3,815,151.22
Paving	1,210,830.24	1,200,129.84
Roadway Machinery and Tools	650,443.23	633,569.42
Tunnels and Subways	360,438.88	361,413.88
Elevated Structures and Foundations ..	4,004,363.45	5,549,015.53
Bridges, Trestles and Culverts	1,991,773.98	1,991,773.98
Crossings, Fences and Signs	85,720.95	85,720.95
Signals and Interlocking Apparatus	1,165,684.27	1,136,156.43
Telephone and Telegraph Lines	95,193.71	101,907.36
Poles and Fixtures	719,040.14	714,202.14
Underground Conduits	1,921,388.60	1,921,220.59
Distribution System	3,713,823.17	3,827,221.70
Shops, Car Houses and Garages	8,470,943.21	8,438,583.81
Stations, Misc. Buildings and Structures..	4,252,722.93	4,578,414.66
Wharves and Docks	232,301.20	232,301.20
Total Way and Structures	\$ 55,655,881.62	\$ 60,948,149.83
Equipment:		
Pass. Cars, Buses and Trackless Trolleys..	\$ 21,604,283.27	\$ 21,398,974.51
Service Equipment	949,409.23	961,812.11
Electric Equip. of Cars and Trackless Trolleys	7,277,959.93	7,279,521.27
Shop Equipment	968,812.80	945,090.70
Furniture, Fare Boxes and Passimeters..	289,601.06	285,475.75
Miscellaneous Equipment	1,090,659.84	1,038,767.15
Total Equipment	\$ 32,180,726.13	\$ 31,909,641.49
Power:		
Power Plant Buildings	\$ 3,600,974.77	\$ 3,600,974.77
Sub Station Buildings	641,289.06	641,289.06
Power Plant Equipment	7,031,642.93	7,035,376.12
Sub Station Equipment	2,693,415.14	2,689,711.55
Transmission System	1,643,363.17	1,641,007.34
Total Power	\$ 15,610,685.07	\$ 15,608,358.84
General and Miscellaneous:		
Law Expenditures	\$ 250.00	\$ 250.00
Interest during Construction	1,832,301.09	1,832,301.09
Injuries and Damages	7,500.00	7,500.00
Taxes	145,444.74	145,866.54
Miscellaneous	13,184.46*	13,184.46*
Total General and Miscellaneous	\$ 1,972,311.37	\$ 1,972,733.17
Unfinished Construction	\$ 23,475.60	\$ 36,542.64
Total Road and Equipment Investment	\$105,443,079.79	\$110,475,425.97

* Credit.

INVESTMENT IN ROAD OWNED AND LEASED

DECEMBER 31, 1942

Boston Elevated Railway Company:

Road and Equipment	\$105,443,079.79
Miscellaneous Physical Property	754,378.14
West Roxbury Lines (E. Mass. St. Ry. Co.) ...	232,455.28

Total Boston Elevated Railway Company Investment	\$106,429,913.21
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Leased Lines:

Hyde Park Transportation District (City of Boston)	\$245,931.51
Eastern Mass. St. Ry. Co. (Part Leased)	
West Roxbury Lines	\$672,847.44
Middlesex Fells Line	29,546.01

Total Eastern Mass. St. Ry. Co.	702,393.45
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Total Leased Lines	948,324.96
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City of Boston Investment:

Boylston Subway	\$11,528,036.96
Cambridge Connection	1,705,621.69
Dorchester Tunnel	12,296,796.49
Dorchester Rapid Transit Extension	11,138,280.00
East Boston Tunnel	7,315,038.21
East Boston Tunnel Extension	2,352,352.24
Huntington Avenue Subway	2,131,468.78
Tremont Subway	4,675,090.45
Washington Tunnel	7,979,613.08

Total City of Boston Investment	61,122,297.90
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Comm. of Massachusetts Investment:

Cambridge Subway	\$8,226,759.52
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Total Commonwealth of Massachusetts Investment	8,226,759.52
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Total Investment in Road Owned and Leased	\$176,727,295.59
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RECEIPTS AND COST OF SERVICE **FOR YEARS ENDED DEC. 31**

Receipts	1942	1941
Revenue from Transportation	\$32,608,834.56	\$27,036,883.68
Revenue from Other Operations	621,558.09	546,330.12
Non-Operating Income	22,228.85	10,301.01
Total Receipts	\$33,252,621.50	\$27,593,514.81
Cost of Service		
Operating Expenses:		
Wages	\$15,141,867.23	\$13,250,629.29
Material and Other Items	2,309,110.86	2,219,886.21
Injuries and Damages	800,973.57	765,970.86
Depreciation	2,184,464.26	2,174,356.45
Fuel	1,225,003.27	976,519.34
Total Operating Expenses	\$21,661,419.19	\$19,387,362.15
Interest on Bonds	3,877,901.26	3,942,068.35
Subway and Rapid Transit Line Rental	2,831,402.68	2,829,413.73
Taxes	1,694,905.45	1,704,286.19
Dividends (required by law)	1,193,970.00	1,193,970.00
Rent of Leased Roads	45,968.28	45,808.07
Miscellaneous Items	91,201.64	84,363.28
Total Cost of Service	\$31,396,768.50	\$29,187,271.77
Profit for Year	\$ 1,855,853.00	—
Loss for Year	—	\$ 1,593,756.96

NOTE: Profit and Loss items not included in above.

COMPARATIVE STATISTICS

Passenger and Traffic Statistics:	Years Ended December 31	
	1942	1941
Cost of Service Per Revenue Passenger....	8.48c	9.51c
Total Receipts Per Revenue Passenger	8.98c	8.99c
Loss Per Revenue Passenger	—	0.52c
Profit Per Revenue Passenger	0.50c	—
Passenger Revenue	\$32,608,834.56	\$27,036,883.68
Round Trips Operated	6,815,436	5,930,857
Average Fare per Fare Passenger	8.80c	8.80c
% of 5c Fares to Total Rev. Passengers...	23.87%	23.99%
Revenue Passengers Per Mile Operated ...	6.88	6.71
Revenue Passengers:		
10c Fares	281,105,337	232,268,531
5c Fares	82,659,201	67,471,051
6½c Joint Fares	145,251	118,522
5c Pupils' Tickets	5,714,184	6,136,961
12 Ride Commutation Tickets	30,966	—
Special Car and Special Bus	610,302	820,460
Total Revenue Passengers	370,265,241	306,815,525
Revenue Miles:		
Surface Lines	23,922,237	20,503,698
Bus Lines	11,978,642	11,604,593
Trackless Trolley Lines	3,268,311	2,320,742
Rapid Transit Lines	14,635,272	11,274,564
Total Revenue Miles	53,804,462	45,703,597
Revenue Hours:		
Surface Lines	2,577,351	2,211,622
Bus Lines	1,340,099	1,302,449
Trackless Trolley Lines	349,125	251,860
Rapid Transit Lines	974,041	750,927
Total Revenue Hours	5,240,616	4,516,858
Power Statistics:		
Tons of coal burned	138,983	123,659
Pounds of coal per D. C. kilowatt hour....	1.344	1.383
Average price of coal per long ton (at boilers)	\$6.01	\$5.55
Net cost of power for car service per kilo- watt hour (cents)	0.803	0.833
Net cost of power per total car mile (cents)	4.120	4.461
Direct current annual output (kilowatt hours)	231,622,125	200,274,930

BASIC DATA FOR PERIOD OF PUBLIC CONTROL—CALENDAR YEARS

Year Ended Dec. 31	Revenue Passengers	Revenue Miles	Receipts	Operating Expenses	Fixed Charges	Misc. Deductions	Net Result of Operations	Average Receipts Per Rev. Pass. (Cents)	Oper. Exp. Per Rev. Pass. (Cents)	Fixed Average Charges Per Rev. Per Fare Pass. (Cents)
1919	324,758,685	53,721,249	\$29,498,582.82	\$23,700,339.41	\$7,873,683.38	\$306,659.91	\$2,382,099.88*	9.08c	7.30c	2.42c 8.86c
1920	335,526,561	51,359,855	34,031,636.44	25,769,122.11	8,342,668.69	267,012.88	347,167.24*	10.14	7.68	2.48 9.87
1921	337,252,080	49,804,625	33,277,025.53	22,843,056.99	9,006,357.65	256,166.02	1,171,444.87	9.87	6.77	2.67 9.56
1922	356,593,942	50,707,740	32,699,176.37	22,088,458.75	9,073,591.28	124,937.26	1,412,189.08	9.17	6.19	2.54 8.93
1923	382,149,697	54,156,064	34,096,813.26	24,130,253.41	9,189,868.68	97,059.61	679,631.56	8.92	6.31	2.40 8.71
1924	382,888,848	56,091,347	34,175,319.61	25,222,133.56	9,355,944.91	233,937.54	636,696.40*	8.93	6.59	2.44 8.73
1925	365,036,286	55,558,126	34,547,379.61	24,405,735.57	9,462,371.51	177,078.68	502,193.85	9.46	6.69	2.59 9.25
1926	371,218,401	57,943,381	35,481,313.38	26,076,268.11	9,713,154.75	174,639.64	482,749.12*	9.56	7.02	2.61 9.26
1927	366,938,908	56,834,029	35,193,410.03	25,132,332.81	9,705,521.39	132,740.34	222,815.49	9.59	6.85	2.64 9.26
1928	362,005,033	57,481,292	34,843,147.51	24,900,188.69	9,719,134.04	183,773.76	40,051.02	9.63	6.88	2.68 9.28
1929	354,214,990	56,684,985	34,096,623.03	24,024,747.23	9,871,709.99	106,093.17	94,072.64	9.63	6.78	2.78 9.28
1930	342,694,905	56,061,843	32,510,721.17	23,527,974.68	10,048,505.49	68,879.81	1,134,638.81*	9.49	6.87	2.93 9.16
1931	324,788,577	53,553,889	29,855,107.30	22,250,748.25	9,428,547.27	80,757.13	1,904,945.35*	9.19	6.85	2.90 8.87
1932	291,753,825	51,195,761	26,428,493.63	19,542,428.16	9,322,878.62	132,632.30	2,569,445.45*	9.06	6.70	3.19 8.79
1933	267,845,429	46,141,119	24,154,373.09	16,829,647.05	9,461,842.77	110,813.53	2,247,930.26*	9.02	6.28	3.53 8.76
1934	277,034,175	45,822,648	24,818,625.48	16,895,090.49	9,310,234.87	77,789.87	1,464,489.75*	8.96	6.10	3.36 8.72
1935	280,402,526	46,033,344	24,926,426.46	17,665,412.59	9,387,071.91	103,193.19	2,229,251.23*	8.89	6.30	3.35 8.67
1936	296,180,666	46,492,077	26,096,155.47	18,410,341.99	9,488,166.08	95,116.41	1,897,469.01*	8.81	6.22	3.20 8.59
1937	296,397,493	46,796,328	25,939,777.15	18,710,803.85	9,670,191.13	84,806.36	2,526,024.19*	8.75	6.31	3.26 8.54
1938	291,175,017	45,799,029	25,383,333.23	18,799,286.39	9,641,109.24	83,623.54	3,140,685.94*	8.72	6.46	3.31 8.49
1939	295,123,077	45,555,636	25,710,948.40	18,716,005.94	9,649,979.64	89,252.96	2,744,290.14*	8.71	6.34	3.27 8.50
1940	294,450,628	45,433,001	26,443,297.95	19,285,456.91	9,678,130.76	81,384.99	2,601,674.71*	8.98	6.55	3.29 8.76
1941	306,815,525	45,703,597	27,593,514.81	19,387,362.15	9,715,546.34	84,363.28	1,593,756.96*	8.99	6.32	3.17 8.80
1942	370,265,241	53,804,462	33,252,621.50	21,661,419.19	9,644,147.67	91,201.64	1,855,853.00	8.98	5.85	2.60 8.80

*Denotes excess cost of service over receipts.

#Excluding Special Car and Special Bus service.

BASIC DATA FOR PERIOD OF PUBLIC CONTROL—TRUSTEE YEARS

Year Ended	Revenue Passengers	Revenue Miles	Receipts	Operating Expenses	Fixed Charges	Miscellaneous Deductions	Result of Operations (*For Losses)	Net Adj. Result of Operations Incl. Profit and Loss Items (*For Losses Assessed)
June 30, 1919	331,348,124	53,569,606	\$25,225,575.63	\$22,362,171.97	\$7,560,212.67	\$716,611.21	\$5,413,420.22*	\$5,415,500.13\$
June 30, 1920	324,192,374	51,865,314	32,671,515.53	24,348,226.45	8,029,594.14	311,304.81	17,609.87*	17,079.95
June 30, 1921	337,381,994	51,048,015	34,200,286.06	25,102,902.39	8,744,033.15	245,304.75	108,045.77	550,253.52
June 30, 1922	345,545,009	49,774,298	32,698,965.01	22,113,783.76	9,086,894.45	195,603.45	1,302,683.35	1,385,211.44
June 30, 1923	373,689,603	52,085,801	33,612,335.20	22,906,489.22	9,183,967.83	93,088.85	1,428,789.30	1,114,557.82
June 30, 1924	386,263,158	56,068,563	34,262,009.46	25,009,657.54	9,233,372.93	163,181.43	144,202.44*	0.00
June 30, 1925	370,729,801	55,670,491	34,198,250.91	24,603,418.26	9,412,380.77	210,735.98	31,284.10*	20,581.33
June 30, 1926	368,932,079	56,552,827	35,087,845.89	25,306,433.69	9,622,903.89	168,562.92	10,054.61*	22,304.46
June 30, 1927	371,893,575	57,970,731	35,618,066.06	25,834,928.57	9,720,918.98	138,818.02	76,599.51*	60,660.25
June 30, 1928	363,576,565	57,188,342	35,009,933.28	24,937,185.81	9,674,559.56	169,170.88	229,017.03	895,518.01
June 30, 1929	356,507,228	57,253,904	34,312,806.18	24,473,329.19	9,857,650.77	161,979.55	180,153.33*	0.00
June 30, 1930	349,441,431	56,276,807	33,597,154.90	23,707,378.01	9,868,002.52	72,752.68	50,978.31*	0.00
June 30, 1931	336,693,586	55,015,807	31,202,319.98	22,992,883.56	10,106,115.81	69,009.97	1,965,689.36*	1,969,473.12†
June 30, 1932	310,919,428	52,806,825	28,376,280.28	21,386,862.60	9,001,671.68	108,548.38	2,120,802.38*	1,775,338.80*
June 30, 1933	272,448,444	47,887,434	24,632,326.62	17,671,635.53	9,536,605.55	144,336.60	2,720,251.26*	2,753,124.14*
June 30, 1934	275,723,393	46,015,449	24,753,158.12	16,896,758.04	9,369,839.17	76,121.66	1,589,560.75*	1,551,631.97*
Mar. 31, 1935†	207,065,714	34,144,810	18,500,541.01	12,888,265.26	6,935,419.91	67,126.55	1,390,270.71*	1,396,388.83*
Mar. 31, 1936	282,989,838	46,233,477	25,086,709.97	17,854,394.81	9,387,995.81	102,450.51	2,258,131.16*	2,086,202.37*
Mar. 31, 1937	296,335,489	46,563,392	26,073,097.59	18,280,433.47	9,552,026.07	89,354.29	1,848,716.24*	1,799,357.27*
Mar. 31, 1938	294,812,459	46,618,447	25,754,063.58	19,047,324.27	9,655,503.46	84,053.48	3,032,817.63*	1,674,823.31*
Mar. 31, 1939	292,388,134	45,472,768	25,466,415.26	18,605,453.29	9,653,453.71	90,045.33	2,882,537.07*	2,842,831.73*
Mar. 31, 1940	295,818,434	45,706,530	25,977,874.92	19,022,725.09	9,647,452.66	82,639.20	2,774,942.03*	2,724,679.87*
Mar. 31, 1941	293,656,470	45,216,666	26,406,308.26	19,073,186.66	9,686,753.22	80,384.18	2,434,015.80*	2,341,167.29*
Dec. 31, 1941†	227,857,761	34,230,940	20,530,923.95	14,596,116.77	7,285,730.36	64,504.64	1,415,427.82*	1,311,406.44*
Dec. 31, 1942	370,265,241	53,804,462	33,252,621.50	21,661,419.19	9,644,147.67	91,201.64	1,855,853.00	924,204.46

†This deficit for year ended June 30, 1931 (\$1,969,473.12) was not assessed upon the cities and towns in the District—Sec. 22, Chap. 333, Acts 1931.
 ‡Of this loss \$3,980,151.67 was assessed and was repaid by the Railway between 1922 and 1931.
 ††Months Period.

CAPITAL OUTSTANDING, DECEMBER 31, 1942

Outstanding Common Stock

No. Shares Outstanding	Par Value Shares Outstanding	Net Premium	Amount Realized	5% Yearly Dividends Dividend Payable
5,000	\$500,000.00	—	\$500,000.00	
95,000	9,500,000.00	—	9,500,000.00	
33,000	3,300,000.00	\$1,815,000.00	5,115,000.00	
66,500	6,650,000.00	695,958.13	7,345,958.13	
39,294	3,929,400.00	196,470.00	4,125,870.00	
238,794	\$23,879,400.00	\$2,707,428.13	\$26,586,828.13	\$1,193,970.00

{ Jan. 1
 Apr. 1
 July 1
 Oct. 1

Outstanding Funded Debt

Par Value	Rate	Maturity	Amount Realized	Yearly Interest	Co.
\$ 2,600,000.00	5 %	Mar. 1, 1944	\$ 2,712,832.07	\$130,000.00	W.E.
570,000.00	7 %	Sept. 1, 1947	570,399.00	39,900.00	W.E.
\$ 1,581,000.00	4½ %	Aug. 1, 1949	1,503,309.66	71,145.00	B. E.
\$ 6,309,000.00	5 %	Jan. 1, 1960	6,169,571.10	315,450.00	B. E.
\$ 8,500,000.00	5 %	Mar. 1, 1960	8,569,615.00	425,000.00	B. E.
\$ 7,711,000.00	4½ %	Dec. 15, 1960	7,524,779.35	346,995.00	B. E.
\$ 3,815,000.00	4½ %	June 1, 1961	3,778,757.50	171,675.00	B. E.
\$ 2,098,000.00	4¼ %	Jan. 1, 1962	2,084,404.96	89,165.00	B. E.
\$ 4,800,000.00	4¾ %	Oct. 1, 1962	4,699,579.20	228,000.00	B. E.
\$ 5,000,000.00	3¼ %	Nov. 1, 1966	4,875,500.00	162,500.00	B. E.
\$ 8,286,000.00	3¼ %	Oct. 15, 1967	7,729,843.68	269,295.00	B. E.
\$ 1,500,000.00	6 %	* * *	1,500,000.00	90,000.00	B. E.
\$23,430,917.00	6 %	* * *	23,430,917.00	1,405,855.02	B. E.
\$76,200,917.00			\$75,149,508.52	\$3,744,980.02	

§Held by Boston Metropolitan District. (Total \$73,030,917.00—95.8% of total bonds outstanding.)

REVENUE EQUIPMENT ACQUIRED AND RETIRED

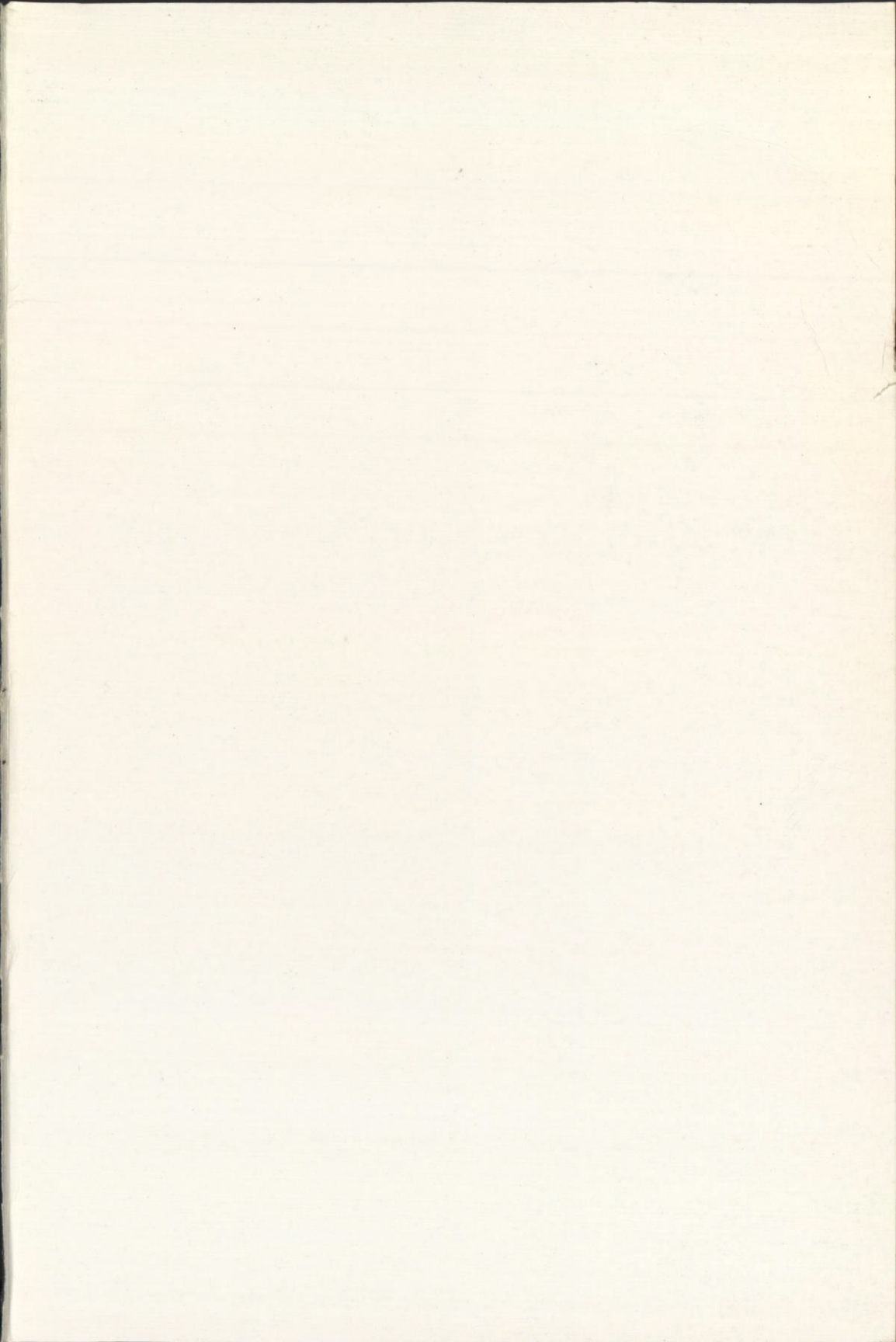
1918-1942

Surface Cars	Owned 1918	Acquired 1918-1942	Retired 1918-1942	On Hand Dec. 31, 1942
Semi-Convertible Cars:				
Types No. 1 to No. 4	453	...	187	266
Type No. 5	...	471	...	471
Type "4000"	...	64	11	53
Center Entrance Cars	100	305	173	232
Trailer Cars	174	50	212	12
P.C.C. Cars	...	21	...	21
Birney Type Cars	1	80	81	...
Articulated Cars	177	...	177	...
Box Cars	1,113	...	1,113	...
Open Cars	1,354	...	1,354	...
Total Surface Cars	3,372	991	3,308	1,055
 Rapid Transit Cars				
Elevated Cars, Wood and Steel	169	...	169	...
Elevated Cars, Steel	162	163	46	279
Camb.-Dorch. Tunnel Cars, Steel ...	60	95	...	155
East Boston Tunnel Cars, Steel	...	48	...	48
Total Rapid Transit Cars	391	306	215	482
 Buses				
Mechanical Drive	...	915	359	556
Diesel—Electric Drive	...	24	...	24
Diesel—Hydraulic Drive	...	2	...	2
Gas-Electric Drive	...	46	46	...
Total Buses	...	987	405	582
 Trackless Trolleys				
...	...	132	...	132
Totals	3,763	2,416	3,928	2,251

JEROME PRESS



BOSTON, MASS.



NOTICE
RUNNING AGAINST OTHERS, PUSHING
OR OTHER DISORDERLY CONDUCT IS PROHIBITED
PASSENGERS MUST CONDUCT THEMSELVES
WITH DUE REGARD TO RIGHT AND SAFETY OF OTHERS

